

Message Text

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ACTION AF-18

INFO OCT-01 ISO-00 EUR-25 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-20

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FM AMEMBASSY KINSHASA

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E.O. 11652: N/A

TAGS: ECON, CG

SUBJECT: ZAIRIANIZATION MEASURES

REF: KINSHASA 10700

1. BANQUE DU ZAIRE CALLED MEETING DEC 11 OF TOP EXECUTIVES ALL COMMERCIAL BANKS IN KINSHASA TO EXCHANGE VIEWS ON SITUATION SINCE PRESIDENT MOBUTU'S NOV 30 SPEECH.

2. THREE MAIN SUBJECTS DISCUSSED: ALTHOUGH NO WRITTEN CENTRAL BANK DIRECTIVE ISSUED, COMMERCIAL BANKS HAVE BEEN ORDERED TO LIFT RESTRICTIONS IN EFFECT SINCE DEC 4 ON FOREIGN BUSINESSMEN AFFECTED BY DEC 10 ORDINANCE (REFTEL) RE VALIDATION IMPORT AND EXPORT LICENSES, ISSUANCE LETTERS OF CREDIT, AND CONTROLS ON BANK WITHDRAWALS.

3. SOCIETE DE SURVEILLANCE, ABOLISHED BY PRESIDENTIAL DECISION NOV 30, HAS BEEN AUTHORIZED RESUME ITS LIMITED OFFICIAL USE

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ACTIVITIES UNTIL SUCH TIME AS SONAS CAN TAKE OVER ITS

OPERATIONS.

4. ALTHOUGH NEW SHIPPING COMPANY CREATED BY PRESIDENTIAL NOV 30 DECISION, CENTRAL BANK ADVISED ZAIRIANS MUST FOR SOME TIME TO COME TO CONTINUE TO EMPLOY FOREIGN BOTTOMS TO TRANSPORT INCOMING AND OUTGOING COMMODITIES.

5. COMMENT: OBVIOUSLY PLANNED ACTIONS TAKEN SINCE PRESIDENT MOBUTU'S SPEECH HAVE NOT BEEN THOUGHT THROUGH CAREFULLY. REALIZING FOREIGN BUSINESSMEN STILL CONDUCT LARGE VOLUME ZAIRIAN TRADE BOTH WAYS,

BANQUE DU ZAIRE HAS HAD TO ACKNOWLEDGE THEIR RIGHTFUL ROLE IN ORDER TO PREVENT RAPID MAJOR ECONOMIC DISLOCATIONS. THIS ACTION FAILS TO SQUARE ENTIRELY WITH DEC 10 ORDINANCE REPORTED REFTEL WHICH REQUIRES VIRTUALLY ALL FOREIGN BUSINESSES IN TRADE AND COMMERCE TO DISPOSE OF THEIR BUSINESSES BY MARCH 1, 1974 IN ORDER TO MAKE WAY FOR ZAIRIAN ASSUMPTION OF OWNERSHIP SUCH BUSINESSES.

6. COMMERCIAL BANKS ARE CAUTIOUS AND SELECTIVE IN THEIR RELATIONSHIP TO THEIR FOREIGN CUSTOMERS. THOSE DEFINITELY AFFECTED BY DEC 10 ORDINANCE ARE NO LONGER BEING TREATED AS CUSTOMERS INsofar AS CREDITS OR LOANS ARE CONCERNED. CLIENTS KNOWN TO BANKS ARE PERMITTED TO EFFECT SIZEABLE WITHDRAWALS PROVIDED THEY MAINTAIN ACTIVE ACCOUNTS.

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